

## Message Text

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ORIGIN EUR-12

INFO OCT-01 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00  
ERDA-05 CIAE-00 H-01 INR-07 IO-13 L-03 NSAE-00  
OIC-02 OMB-01 PA-01 PM-04 PRS-01 SP-02 SS-15  
TRSE-00 DODE-00 NSC-05 ACDA-07 AID-05 CEQ-01  
COME-00 EB-07 EPA-01 NSF-01 OES-07 INT-05 FEA-01  
/108 R

DRAFTED BY EUR/NE:DGOODMAN:CW  
APPROVED BY EUR/NE:JJCROWLEY, JR.  
OES - L NOSENZO  
ACDA - C VAN DOREN  
T - E MCGAFFIGAN  
PM - G OPLINGER

-----011996 112223Z /61

O R 112148Z JUL 77  
FM SECSTATE WASHDC  
TO AMEMBASSY STOCKHOLM IMMEDIATE  
INFO AMEMBASSY LONDON  
AMEMBASSY PARIS

C O N F I D E N T I A L STATE 160852

E.O. 11652: GDS

TAGS: PINT, TECH, ENRG, SW

SUBJECT: LEIFLAND/NYE DISCUSSIONS ON SWEDISH NUCLEAR  
REPROCESSING PROBLEM

1. SUMMARY: NYE SUGGESTED TWO POSSIBLE SOLUTIONS TO  
SWEDISH SPENT FUEL STORAGE PROBLEM: (1) A LETTER FROM  
CARTER TO FALLDIN NOTING CLOSE ALIGNMENT OF OUR RESPECTIVE  
POLICIES ON NON-PROLIFERATION, GENERAL CONCERNS OF PRE-  
MATURE MOVEMENT TO A PLUTONIUM ECONOMY, AND NEED TO FIND  
NEAR TERM ANSWERS TO ENVIRONMENTAL AND SAFETY PROBLEMS OF  
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NUCLEAR WASTE. LETTER COULD ALSO NOTE THAT INFCE WILL  
EXPLORE WASTE DISPOSAL QUESTION, AND LETTER WOULD URGE  
SWEDEN TO PARTICIPATE IN STUDY AND TO TAKE NO DECISION  
THAT WOULD PRECLUDE THEIR ULTIMATELY HANDLING NUCLEAR  
WASTE DISPOSAL IN THE SAFEST POSSIBLE WAY; (2) POSSI-  
BILITY OF US OR INTERNATIONAL STORAGE OF SWEDEN'S  
UNREPROCESSED SPENT FUEL. NYE STRESSED THAT HE COULD NOT

BE SURE NOW THAT EITHER SOLUTION COULD BE CARRIED THROUGH. LEIFLAND EXPRESSED STRONG INTEREST IN BOTH, PARTICULARLY A CARTER LETTER. END SUMMARY.

2. DURING TWO HOUR MEETING, NYE AND OTHERS FROM STATE, ACDA, AND ERDA DISCUSSED US NUCLEAR POLICY AND SWEDISH LEGISLATIVE REQUIREMENTS ON SPENT FUEL STORAGE WITH

LEIFLAND, JOHAM LIND, MINISTER OF INDUSTRY UNDER SECRETARY PER ANDERS ORTENDAHL, AND SWEDISH EMBASSY ECONOMIC COUNSELOR DINKELSPIEL. NYE STRESSED THAT US WAS NOT AGAINST BREEDER TECHNOLOGY BUT WAS ANXIOUS TO AVOID PREMATURE ENTRY INTO NEXT STAGE. ERDA REPRESENTATIVE SIEVERING SAID ERDA BUDGET IN FACT HAD NEARLY 500 MILLION FOR BREEDER RESEARCH AND ERDA HEAVILY ENGAGED IN STUDIES ON ALL KINDS OF FUEL STORAGE. LEIFLAND WAS SURPRISED BY THIS, AND SAID EVERYTHING HE HAD HEARD INDICATED THE OPPOSITE.

3. WITH SWEDISH ENERGY COMMISSION DUE TO SUBMIT COMPREHENSIVE REPORT APRIL 1, 1978 ON TOTAL SWEDISH ENERGY PROGRAM, LEIFLAND WAS PARTICULARLY ANXIOUS TO KNOW IF ERDA WAS EXAMINING STORAGE OF UNREPROCESSED FUEL AND IF RESULTS WOULD BE AVAILABLE BEFORE APRIL 1978. LEIFLAND SAID THAT DATE WAS KEY TO ALL THEIR PLANNING (ALTHOUGH HE SAID INFORMALLY THE FOLLOWING DAY THAT HE DOUBTED CONFIDENTIAL

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ENERGY COMMISSION REPORT WOULD BE FINISHED ON SCHEDULE). SIEVERING SAID IT MOST UNLIKELY ERDA WOULD HAVE ANY CONCLUSIONS ON STORAGE QUESTION BY NEXT APRIL.

4. LEIFLAND NOTED THAT SWEDISH LAW OFFERS TWO OPTIONS ON SPENT FUEL DISPOSITION, SO THAT REPROCESSING IS TECHNICALLY NOT THE ONLY SOLUTION, BUT HE AND LIND STRESSED THAT SWEDISH UTILITIES SAW LONG TERM REPROCESSING CONTRACTS AND TERMINAL STORAGE OF HIGH LEVEL WASTE AS THE ONLY FEASIBLE WAY TO COMPLY WITH THE LAW, GIVEN TODAY'S TECHNOLOGY, AND WERE PROCEEDING ONLY ON THAT BASIS TO OBTAIN AUTHORIZATION TO START UP NEW REACTORS. NYE URGED THAT THEY CONSIDER INSTEAD THE STORAGE OF UNREPROCESSED SPENT FUEL, TELLING THEM IN STRICTEST CONFIDENCE THAT USG WAS SERIOUSLY EXPLORING POSSIBILITY OF ACCEPTING ON LIMITED BASIS UNREPROCESSED SPENT FUEL FROM OTHER COUNTRIES FOR STORAGE IN THE US. ALTERNATIVELY, HE SAID THERE WAS POSSIBILITY OVER THE LONGER TERM OF ESTABLISHING ON MULTILATERAL BASIS SOME SORT OF INTERNATIONAL STORAGE AREA. HE STRESSED THIS WAS ALL IN PRELIMINARY STAGE AND THAT THE PRESIDENT HAD YET TO DECIDE HOW TO PROCEED.

5. LEIFLAND SAID SWEDEN HAS FAVORED REPROCESSING NOT BECAUSE IT HAS ANY INTEREST IN ACQUIRING NUCLEAR WEAPONS OR A BREEDER REACTOR AND NOT FOR ECONOMIC REASONS, BUT BECAUSE OF "DEEPLY FELT CONVICTION" THAT PERHAPS THE BEST WAY TO STORE SPENT FUEL IS TO REPROCESS AND SOLIDIFY. SWEDEN WOULD HAVE NO OBJECTION TO KEEPING

PRODUCED PLUTONIUM IN THE UK OR FRANCE, TO SHIPPING IT BACK TO US, OR PUTTING IT IN INTERNATIONAL REPOSITORY. IT WOULD EVEN CONSIDER TAKING IT BACK TO SWEDEN UNDER US CONTROL, BUT IN ANY CASE THEY WANTED TO MAINTAIN THEIR OPTION TO HAVE IT REPROCESSED AND FELT PRESENT US POLICY PRECLUDED THIS. NYE REPLIED THAT BEST WAY TO STORE  
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SPENT FUEL WAS STILL UNKNOWN AND THAT MORE RESEARCH NEEDED TO BE DONE. US VIEW WAS THAT SWEDEN SHOULD NOT FORECLOSE OTHER POSSIBILITIES BY GETTING LOCKED INTO REPROCESSING AT THIS TIME. THE INFCE WOULD STUDY THIS, BUT IN MEANTIME WE SHOULD TRY TO WORK OUT SERIES OF SHORT TERM, AD HOC ARRANGEMENTS TO SOLVE SWEDEN'S STORAGE NEEDS.

6. FURTHER DISCUSSION TENDED TO POINT OUT THE NEAR IMPOSSIBILITY OF COMPLYING LITERALLY WITH SWEDISH LAW, GIVEN PRESENT UNCERTAINTY OF WHETHER ANY SPENT FUEL, REPROCESSED OR NOT, COULD BE STORED WITH COMPLETE SAFETY. LIND SAID GOS SIMPLY NEEDED SOME WAY TO SATISFY LEGISLATIVE REQUIREMENTS, BUT THAT QUESTION OF HOW WAS STILL AN OPEN ONE. ALL AGREED PROBLEM WAS MORE A POLITICAL THAN A TECHNICAL ONE, AND NYE SUGGESTED WE MIGHT FURTHER HELP BY A LETTER FROM THE PRESIDENT TO THE PRIME MINISTER ALONG LINES NOTED IN PARA 1. LEIFLAND WAS EXTREMELY RECEPTIVE TO THIS PROPOSAL AND SAID HE WOULD CARRY IT BACK TO HIS PRIME MINISTER. NYE SAID HE COULDN'T GUARANTEE HE COULD GET SUCH A LETTER BUT THAT IT WAS WORTH EXPLORING.

COMMENT: PRIOR TO TALKING TO NYE, LEIFLAND DESCRIBED THE NUCLEAR REPROCESSING ISSUE AS THE MOST IMPORTANT BILATERAL PROBLEM IN US/SWEDISH RELATIONS. IN CONVERSATION WITH GEORGE VEST, JULY 6, LEIFLAND COMMENTED THAT HE HAD LEFT THE NYE MEETING HOPEFUL THAT SATISFACTORY ARRANGEMENTS WERE POSSIBLE. HE WAS PARTICULARLY OPTIMISTIC ON NYE'S IDEAS ON A POSSIBLE LETTER FROM PRESIDENT CARTER TO PRIME MINISTER FALLDIN AND ON US STORAGE OF SWEDISH SPENT FUEL. HE HAD CALLED SWEDEN THAT MORNING TO SET A MEETING IN STOCKHOLM THE WEEK OF JULY 11 WITH THE PRIME MINISTER, FOREIGN MINISTER AND  
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MINISTER OF ENERGY TO DISCUSS THESE SUGGESTIONS AND  
WHETHER THEY WOULD BE WORKABLE IN THE SWEDISH DOMESTIC  
POLITICAL CONTEXT. VANCE

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**To:** STOCKHOLM  
**Type:** TE  
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